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It is subject to change and Michigan Department
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Final forms will be available in early January 2009.

DO NOT FILE THIS DRAFT FORM.

Draft forms that are filed will be rejected by the
Michigan Department of Treasury.

2008 MICHIGAN Business Tax Annual Return for Financial Institutions

Issued under authority of Public Act 36 of 2007.

☐ Check if this is an amended return.
Attach supporting documents.

1. Return is for calendar year 2008 or for tax year beginning: (MM-DD-YYYY)		and ending: (MM-DD-YYYY)	
2. Name (print or type)		7. Federal Employer Identification Number (FEIN) or TR Number	
Doing Business As (DBA)		8. Organization Type	
Street Address		<input type="checkbox"/> Fiduciary <input type="checkbox"/> S Corporation / LLC S Corporation <input type="checkbox"/> C Corporation / LLC C Corporation	
City	State	ZIP Code	Country Code
3. Principal Business Activity		4. Business Start Date in Michigan	
5. NAICS (North American Industry Classification System) Code		6. If Discontinued, Effective Date	
		8a. <input type="checkbox"/> Check if taxpayer (or any UBG member) has authority to exercise trust powers only.	
		9. <input type="checkbox"/> Check if Filing Michigan Unitary Business Group Return (attach Form 4580).	

10. Special Computations

Apportionment Calculation

a. Michigan Gross Business		00
b. Total Gross Business		00
c. Apportionment %. Divide line (a) by line (b)		%

d. If Fiscal Filer with Tax Year Ending in 2008 complete lines 10e through 10g.

e. Number of months in MBT tax period	
f. Total months in 2007-08 federal tax year	
g. Proration %. Divide line (e) by line (f)	%

PART 1: FRANCHISE TAX

	A 2004	B 2005	C 2006	D 2007	E 2008
11. Equity Capital					
12. Goodwill					
13. Average daily book value of Michigan obligations					
14. Average daily book value of U.S. obligations					
15. Subtotal. Add lines 12 through 14					
16. Net Capital. Subtract line 15 from line 11					
17a. Authorized insurance co. subsidiary: Enter actual capital fund amount					
17b. Minimum regulatory amount required					
17c. Multiply line 17b by 125% (1.25)					
17d. Subtract line 17c from 17a. If less than zero, enter zero					
18. Add lines 16 and 17d					
19. Enter amount from line 18E					00
20. Add lines 18A, 18B, 18C, 18D and 19					00
21. Net Capital for Current Taxable Year. Divide line 20 by number of years reported above					00
22. Apportioned Tax Base. Multiply line 21 by percentage on line 10c					00
23. Tax Before Surcharge. Multiply line 22 by 0.235% (0.00235)					00
24. Surcharge. Multiply line 23 by 27.7% (0.277) (For tax year ending in 2009, see instructions.)					00
25. Total Liability Before All Credits. Add lines 23 and 24					00
26. Nonrefundable credits from Form 4568, line 36					00
27. Total Tax After Nonrefundable Credits. Subtract line 26 from line 25. If less than zero, enter zero					00

FEIN or TR Number

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28. Recapture of Certain Business Tax Credits from Form 4587, line 10..... 28.

	00
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29. **Total Tax Liability.** Add lines 27 and 28 29.

	00
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PART 2: PAYMENTS, REFUNDABLE CREDITS AND TAX

30. Overpayment credited from prior return (SBT or MBT) 30.

	00
--	----
31. Estimated tax payments 31.

	00
--	----
32. Tax paid with request for extension 32.

	00
--	----
33. Refundable credits from Form 4574, line 23 33.

	00
--	----
34. Total Payments. Add lines 30 through 33. (Then, if not amending, skip to line 36) 34.

	00
--	----
- AMENDED RETURN ONLY**
35. a. Payment made with the original return 35a.

	00
--	----
- b. Overpayment received on the original return 35b.

	00
--	----
- c. Add lines 34 and 35a and subtract line 35b from the sum ... 35c.

	00
--	----
36. TAX DUE. Subtract line 34 (or line 35c, if amending) from line 29. If less than zero, leave blank 36.

	00
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37. Underpaid estimate penalty and interest from Form 4582, line 38 37.

	00
--	----
38. Annual return penalty

--

 % =

--

 00 plus interest of

--

 00. Enter total 38.

	00
--	----
39. **PAYMENT DUE.** If line 36 is blank, go to line 40. Otherwise, add lines 36 through 38 39.

	00
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PART 3: REFUND OR CREDIT FORWARD

40. Overpayment. Subtract lines 29, 37 and 38 from line 34 (or line 35c, if amending). If less than zero, leave blank. (See instructions.) 40.

	00
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41. **CREDIT FORWARD.** Amount of overpayment on line 40 to be credited forward 41.

	00
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42. **REFUND.** Amount of overpayment on line 40 to be refunded 42.

	00
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Taxpayer Certification. I declare under penalty of perjury that the information in this return and attachments is true and complete to the best of my knowledge.		Preparer Certification. I declare under penalty of perjury that this return is based on all information of which I have any knowledge.		
<input type="checkbox"/> By checking this box, I authorize Treasury to discuss my return with my preparer.		Preparer's PTIN, FEIN or SSN <table border="1"> <tr> <td></td> </tr> </table>		
Taxpayer Signature		Preparer's Business Name (print or type) <table border="1"> <tr> <td></td> </tr> </table>		
Taxpayer Name (print or type)		Preparer's Business Address and Telephone Number (print or type)		
Title	Date			
Telephone Number				

Return is due April 30 or on or before the last day of the 4th month after the close of the tax year.

WITHOUT PAYMENT - Mail return to:

Michigan Department of Treasury
P.O. Box 30783
Lansing, MI 48909

WITH PAYMENT - Pay amount on line 39 and mail check and return to:

Michigan Department of Treasury
P.O. Box 30113
Lansing, MI 48909

Make check payable to "State of Michigan." Print the FEIN or TR Number and "MBT" on the front of the check. Do not staple the check to the return.

Instructions for Form 4590

Michigan Business Tax (MBT) Annual Return for Financial Institutions

Fiscal Year Filers: See "Supplemental Instructions for Initial Fiscal MBT Filers - Financial Institutions" on page 17.

Purpose

To calculate a tax liability and claim credits for a Financial Institution for MBT.

Special Instructions for Unitary Business Groups

A *Unitary Business Group (UBG)* is a group of United States persons, other than a foreign operating entity, that satisfies the following criteria:

- One of the persons owns or controls, directly or indirectly, more than 50 percent of the ownership interest with voting rights (or rights comparable to voting rights) of the other United States persons; AND
- The UBG has operations which result in a flow of value between persons in the UBG or has operations that are integrated with, are dependent upon, or contribute to each other. Flow of value is determined by reviewing the totality of facts and circumstances of business activities and operations.

In Michigan, all financial institution members of a UBG must file a combined Form 4590 for the group with a Designated Member (DM) who must be the controlling member of the group, unless the controlling member does not have nexus with Michigan. If that is the case, the controlling member may appoint a group member with nexus to serve as the DM.

NOTE: The *MBT Unitary Business Group Combined Filing Schedule* (Form 4580) must be filed before filing Form 4590.

For more information on UBG's see the instructions for Form 4580 available on the web at www.michigan.gov/taxes.

NOTE: Under the foregoing definition, a UBG may include financial institutions, insurance companies, and standard taxpayers. A group containing a mixture of these three taxpayer types may be required to file two or three returns to properly report the activities of the different taxpayer types within the group.

Under Michigan Compiled Law (MCL) 208.1261(f), *Financial institution* means any of the following:

- i. A bank holding company, a national bank, a state chartered bank, an office of thrift supervision chartered bank or thrift institution, or a savings and loan holding company other than a diversified savings and loan holding company as defined in 12 USC 1467a(a)(F).
- ii. Any entity, other than an entity subject to the tax imposed under Chapter 2A, who is directly or indirectly owned by an entity described in (i) and is a member of the UBG.
- iii. A UBG of entities described in (i) or (ii), or both.

NOTE: Under MCL 1261(f)(ii), the definition of financial institution for MBT purposes includes any entity (except an insurance company) that is:

- Owned by a bank or other entity described in (f)(i); AND
- A member of a UBG with its parent.

This may cause an entity that is not commonly thought of as a financial institution to be defined as one for return filing purposes. A UBG that includes financial institutions must file a combined return on this Form 4590 that includes each member of the group that is a financial institution.

Taxpayer Certification

A return filed by a UBG must be signed by an individual authorized to sign on behalf of the DM. Provide the title and telephone number of that individual at the DM's office.

Line-by-Line Instructions

Lines not listed are explained on the form.

Dates must be entered in MM-DD-YYYY format.

See page 7 for periods less than 12 months.

Every taxpayer engaged in business activity in Michigan must file an annual return. There is no minimum filing threshold **for financial institutions**. The MBT Act is found at MCL 208.1101 et seq. Sections specific to financial institutions are in Chapter 2B. General provisions elsewhere in the act also apply to financial institutions.

UBG's: Complete Form 4580 before beginning Form 4590.

Amended Returns: Check the box (upper-right corner, page 1) if this is an amended return, and attach a separate sheet explaining the reason for the changes. Include any supporting documents including an amended federal return or a signed and dated Internal Revenue Service (IRS) audit document.

Line 1: Enter the beginning and ending dates (MM-DD-YYYY) that correspond to the taxable period as reported to the IRS.

Tax year means the calendar year, or the fiscal year ending during the calendar year, upon the basis of which the tax base of a taxpayer is computed. If a return is made for a fractional part of a year, tax year means the period for which the return is made. Except for the first MBT return required, a taxpayer's tax year is for the same period as is covered by its Federal Income Tax return. A taxpayer that has a 52- or 53-week tax year beginning not more than seven days before December 31 of any year is considered to have a tax year beginning after December of that tax year.

Example 1: A taxpayer with a federal tax year beginning on Monday, December 29, 2008, will be treated as follows:

- 2008 tax year end of December 31, 2008
- Due date of April 30, 2009
- 2009 tax year beginning January 1, 2009.

Example 2: A taxpayer with a federal tax year ending on Sunday, January 3, 2010, will be treated as follows:

- 2009 tax year end of December 31, 2009
- Due date of April 30, 2010
- 2010 tax year beginning on January 1, 2010.

Example 3: A 52- or 53-week year closing near the end of January is common in the retail industry. Such a taxpayer will be treated as follows:

- 2008-09 fiscal year end will be January 31, 2009.
- Due date will be May 31, 2009.
- 2009-10 fiscal year will begin on February 1, 2009.

Line 2: Country Code. If other than the United States, enter the country code. See the list of country codes on page 20.

UBGs: In the Name field, enter the name of the Designated Member for the financial institutions.

Line 3: Enter a brief description of the principal types of financial services in which the taxpayer is engaged.

Line 4: Enter the start date of first business activity in Michigan.

Line 5: Enter the entity's six-digit North American Industry Classification System (NAICS) code. For a complete list of six-digit NAICS codes, see the U.S. Census Bureau Web site at www.census.gov/eos/www/naics/, or enter the same NAICS code used when filing the entity's U.S. Form 1120, Schedule K, U.S. Form 1120S, or U.S. Form 1065.

Line 6: Enter the date, if applicable, on which taxpayer went out of existence. To complete the discontinuance for Michigan taxes, file the *Notice of Change or Discontinuance* (Form 163), which is available on the Department of Treasury Web site at www.michigan.gov/treasuryforms. If this taxpayer continues to exist, DO NOT use this line to report that this member has stopped doing business in Michigan.

Line 7: Use the taxpayer's Federal Employer Identification Number (FEIN) or the Michigan Treasury (TR) assigned number. Be sure to use the same account number on all forms. If the taxpayer does not have an FEIN or TR number, the taxpayer is encouraged to register online at www.michigan.gov/business taxes before filing this form. By registering online, an account number is usually assigned within seven days. The Department will notify the taxpayer when a TR number is assigned. Use that number on all future MBT filings and correspondence until the entity obtains its FEIN. If the taxpayer does not have the number by the time it files, leave this line blank.

UBGs: Enter the FEIN or TR Number for the DM of the financial group.

Line 8: Check the box that describes the organization type. A Trust or a Limited Liability Company (LLC) should check the appropriate box based on its federal return.

Line 8a: If the taxpayer meets the definition of financial institution and is filing this form, but is authorized to exercise only trust powers, check this box. See line 24 for additional instructions.

UBG: If any member of a UBG is a financial institution that is authorized to exercise only trust powers, the UBG should check this box.

Line 9: Check this box if filing a Michigan UBG return and attach Form 4580. For MBT, *taxpayer* means a person or a UBG liable for tax, interest, or penalty.

Lines 10a through 10c: A taxpayer may apportion on lines 10a through 10c only if its business activities are subject to tax

both within and outside of Michigan. A financial institution is *subject to tax in another state*, as that term is used here, only if:

- It is subject to a Business Privilege Tax, a Net Income Tax, a Franchise Tax measured by net income, a Franchise Tax for the privilege of doing business, or a corporate stock tax or a tax of the type imposed under the MBT Act in that other state; OR
- That other state has jurisdiction to subject the financial institution to one or more of the taxes listed above regardless of whether that state does or does not subject the financial institution to such a tax.

Under MCL 208.1261(g), *Gross business* means the sum of the following less transactions between those entities included in a UBG:

- i. Fees, commissions, or other compensation for financial services.
- ii. Net gains, not less than zero, from the sale of loans and other intangibles.
- iii. Net gains, not less than zero, from trading in stocks, bonds, or other securities.
- iv. Interest charged to customers for carrying debit balances of margin accounts.
- v. Interest and dividends received.
- vi. Any other gross proceeds resulting from the operation as a financial institution.

For a UBG that includes financial institutions, gross business includes gross business in Michigan of every financial institution included in that UBG without regard to whether the financial institution has nexus in Michigan. Gross business between financial institutions included in a UBG must be eliminated in calculating the gross business factor.

Gross business is determined to be in Michigan under extensive guidelines found at MCL 208.1269. These guidelines are summarized as follows:

- Receipts from credit card receivables including interest and fees or penalties in the nature of interest from credit card receivables and receipts from fees charged to credit card holders such as annual fees are in Michigan if the billing address of the credit card holder is located in Michigan.
- Credit card issuer's reimbursement fees are in Michigan if the billing address of the credit card holder is located in Michigan.
- Receipts from merchant discounts are in Michigan if the commercial domicile of the merchant is in Michigan.
- Loan servicing fees are in Michigan under any of the following circumstances:
 - For a loan secured by real property, if the real property for which the loan is secured is in Michigan.
 - For a loan secured by real property, if the real property for which the loan is secured is located both in Michigan and in one or more other states and more than 50 percent of the fair market value of the real property is located in Michigan.
 - For a loan secured by real property, if more than 50 percent of the fair market value of the real property for which the loan is secured is not located within any one state but the borrower is located in Michigan.

- For a loan not secured by real property, the borrower is located in Michigan.
- Receipts from services are in Michigan if the recipient of the services receives all of the benefit of the services in Michigan. If the recipient of the services receives some of the benefit of the services in Michigan, the receipts are included in the numerator of the apportionment factor in proportion to the extent that the recipient receives benefit of the services in Michigan.
- Receipts from investment assets and activities and trading assets and activities, including interest and dividends, are in Michigan if the financial institution's customer is in Michigan. If the location of the financial institution's customer cannot be determined, both of the following apply:
 - Interest, dividends, and other income from investment assets and activities and from trading assets and activities, including, but not limited to, investment securities; trading account assets; federal funds; securities purchased and sold under agreements to resell or repurchase; options; futures contracts; forward contracts; notional principal contracts such as swaps; equities; and foreign currency transactions are in Michigan if the average value of the assets is assigned to a regular place of business of the taxpayer in Michigan. Interest from federal funds sold and purchased and from securities purchased under resale agreements and securities sold under repurchase agreements are in Michigan if the average value of the assets is assigned to a regular place of business of the taxpayer in Michigan. The amount of receipts and other income from investment assets and activities is in Michigan if assets are assigned to a regular place of business of the taxpayer in Michigan.
 - The amount of receipts from trading assets and activities, including, but not limited to, assets and activities in the matched book, in the arbitrage book, and foreign currency transactions, but excluding amounts otherwise sourced in this section, are in Michigan if the assets are assigned to a regular place of business of the taxpayer in Michigan.
- Interest charged to customers for carrying debit balances on margin accounts without deduction of any costs incurred in carrying the accounts is in Michigan if the customer is located in Michigan.
- Interest from loans secured by real property is in Michigan if the property is located in Michigan, if the property is located both within Michigan and one or more other states and more than 50 percent of the fair market value of the real property is located in Michigan, and if more than 50 percent of the fair market value of the real property is not located within any one state but the borrower is located in Michigan.
- Interest from loans not secured by real property is in Michigan if the borrower is located in Michigan.
- Net gains from the sale of loans secured by real property or mortgage service rights relating to real property are in Michigan if the property is in Michigan, if the property is located both within Michigan and one or more other states and more than 50 percent of the fair market value of the real property is located in Michigan, or if more than 50 percent of the fair market value of the real property is not located in any one state, but the borrower is located in Michigan.

- Net gains from the sale of loans not secured by real property or any other intangible assets are in Michigan if the depositor or borrower is located in Michigan.
- Receipts from the lease of real property are in Michigan if the property is located in Michigan.
- Receipts from the lease of tangible personal property are in Michigan if the property is located in Michigan when it is first placed in service by the lessee.
- Receipts from the lease of transportation tangible personal property are in Michigan if the property is used in Michigan or if the extent of use of the property in Michigan cannot be determined but the property has its principal base of operations in Michigan.

Fiscal Year Filers: See "Supplemental Instructions for Initial Fiscal MBT Filers - Financial Institutions" on page 17.

UBGs: Bring figure from Form 4580, line 37C, to line 10a, and bring figure from Form 4580, 38C, to line 10b. Leave lines 10e through 10g blank.

PART 1: FRANCHISE TAX

The following tax base calculation involves a five year average of net capital. Enter data from the current year and four most recent MBT and SBT tax years to complete the five year table. For purposes of this table, treat a partial year as a full year. If the current and four preceding tax periods include any short periods, the years printed in column headings for this part will not apply accurately. For example, assuming no short periods reported for federal purposes, a financial institution with a fiscal year-end of August 31 would average the net capital for tax years ending August 31, 2005, August 31, 2006, August 31, 2007, December 31, 2007, and August 31, 2008.

For the 2007-08 tax year, all fiscal filers must use the annual method for calculating their tax base, even if they used the actual method for their final SBT return

Fiscal Year Filers: For lines 11 through 16 and line 17a and 17b, enter the figures multiplied by the proration percentage on line 10g.

UBGs: If all members have the same year end and all have four or more years of operating history prior to the current filing period, the UBG shall enter its combined data on all lines of Form 4590. Otherwise, leave lines 11 through 20 blank, complete line 21 with combined data from Form 4580, line 52, and proceed with the rest of the lines on Form 4590.

Line 11: Enter equity capital as of the last day of the filing period, as computed in accordance with generally accepted accounting principles. If the financial institution does not maintain its books and records in accordance with generally accepted accounting principles, net capital must be computed in accordance with the books and records used by the financial institution, so long as the method fairly reflects the financial institution's net capital for purposes of MBT. If the financial institution owns a subsidiary that is an authorized insurance company, the value of the insurance subsidiary's stock is not included in equity capital.

Line 13: Under MCL 208.1261(k), *Michigan obligations* means a bond, note, or other obligation issued by a governmental unit

described in Section 3 of the Shared Credit Rating Act, Public Act (PA) 227 of 1985, MCL 141.1053.

Line 14: Under MCL 208.1261(s), *United States obligations* means all obligations of the United States exempt from taxation under 31 USC 3124(a) or exempt under the United States constitution or any federal statute, including the obligations of any instrumentality or agency of the United States that are exempt from state or local taxation under the United States constitution or any statute of the United States.

Line 17a: If this taxpayer owns a subsidiary that is an authorized insurance company, enter actual amount of capital fund maintained within that subsidiary.

Line 17b: Enter the minimum capital fund amount required by regulations for that insurance subsidiary.

Line 24: If qualified to check box 8a and not part of a UBG, the taxpayer is not subject to the surcharge. Leave this line blank.

UBGs: UBG members with authority to exercise trust powers only are exempt from the surcharge. Calculate the pro forma tax liability of all exempt members to determine the amount of tax that must be subtracted from line 23 before computing the surcharge. Enter the surcharge amount calculated on the tax liability of the non-exempt members of the group on line 24. A copy of the calculation must be attached to the tax filing.

Line 26: Nonrefundable credits from the *MBT Nonrefundable Credits Summary* (Form 4568), line 36. If claiming nonrefundable credits, see Form 4568. Note that these credits have strict eligibility requirements, and only the following are available to a financial institution:

- SBT credit carryforwards (*Single Business Tax (SBT) Credit Carryforwards* (Form 4569))
- Compensation Credit (claimed on *MBT Credits for Compensation, Investment and Research and Development* (Form 4570))
- Renaissance Zone Credit (claimed on *MBT Renaissance Zone Credit Schedule* (Form 4595))
- Brownfield Redevelopment Credit (calculated on the *MBT Election of Refund or Carryforward of Credits* (Form 4584))
- Historic Preservation Credit (claimed on Form 4573)
- Film Infrastructure Credit (as assignee only)

Line 28: Recapture of certain credits is entered on *MBT Schedule of Recapture of Certain Business Tax Credits and Deductions* (Form 4587). For a financial institution, these are the Michigan Economic Growth Authority (MEGA) Employment Tax Credit and Brownfield Redevelopment Credit. If the taxpayer experienced recapture of any of these credits during the filing period, complete Form 4587 and bring the result to this line.

PART 2: PAYMENTS, REFUNDABLE CREDITS, AND TAX

UBGs: On lines 30 through 35, enter combined data for all members included on this combined return. Unlike tax base data earlier on this form, there is no place on Form 4580 to combine payment data before transferring it to this form.

Line 30: Enter overpayment credited from 2007 SBT or overpayment from first fiscal year 2008 MBT return.

Line 31: Enter total payments made with the *MBT Quarterly Return* (Form 4548), the MBT estimates paid with the *Combined Return for Michigan Taxes* (Form 160) or with Electronic Funds Transfer (EFT). Include all payments made toward the current filing period.

Line 33: Enter refundable credits from the *MBT Refundable Credits* (Form 4574), line 23. If claiming a Michigan refundable credit, see Form 4574. Only the following are available to a financial institution:

- MEGA Employment Tax Credit (claimed on *MBT Refundable Credits* (Form 4574))
- Brownfield Redevelopment Credit (calculated on Form 4584)
- Film Production Credit (as assignee only)

Amended Returns Only:

Line 35a: Enter payment made with original return.

Line 35b: Enter overpayment calculated on the original return (regardless of whether it was refunded or applied as a credit forward)

Line 35c: Add lines 34 and 35a and subtract line 35b from the sum.

Line 37: If penalty and interest are owed for not filing estimated returns or for underestimating tax, complete the *MBT Penalty and Interest Computation for Underpaid Estimated Tax* (Form 4582) to compute penalty and interest due. If a taxpayer chooses not to file this form, the Department will compute penalty and interest and bill for payment. (Form 4582 is available on the Web at www.michigan.gov/taxes.)

Line 38: Enter annual return penalty and interest. See "Computing Penalty and Interest" on page 8.

PART 3: REFUND OR CREDIT FORWARD

Line 40: If the amount of the overpayment, less any penalty and interest due on lines 37 and 38, is less than zero, enter the difference (as a positive number) on line 39. If the amount is greater than zero, enter on line 40.

Line 41: If the taxpayer anticipates an MBT liability in the filing period subsequent to this return, some or all of any overpayment from line 40 may be credited forward to the next period. Enter the desired credit forward amount here.

Attachments

Federal Forms: Attach copies of these forms to the return.

• **Corporations:** U.S. Form 1120 (pages 1 through 4), Schedule D, Form 851, Form 4562 and Form 4797. If filing as part of a consolidated federal return, attach a pro forma or consolidated schedule.

• **S Corporations:** U.S. Form 1120-S (pages 1 through 4)*, Schedule D, Form 851, Form 4562, Form 4797, Form 8825.

• **Fiduciaries:** U.S. Form 1041 (pages 1 through 4), Schedule D and Form 4797.

• **Limited Liability Companies:** Attach appropriate schedules shown above based on federal return filed.

* Do not send copies of K-1s. The Department will request them if necessary.